The AES Corporation

Fourth Quarter & Full Year 2020 Financial Review

February 25, 2021

Safe Harbor Disclosure

Certain statements in the following presentation regarding AES' business operations may constitute "forward-looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES' current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, the impact of the COVID-19 pandemic on our business, accurate projections of future interest rates, commodity prices and foreign currency pricing, continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as the execution of PPAs, conversion of our backlog and growth from investments at investment levels and rates of return consistent with prior experience. For additional assumptions see Slide 43 and the Appendix to this presentation. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES' filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A: "Risk Factors" and Item 7: "Management's Discussion & Analysis" in AES' 2020 Annual Report on Form 10-K, as well as our other SEC filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Reconciliation to U.S. GAAP Financial Information

The following presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, as amended. Schedules are included herein that reconcile the non-GAAP financial measures included in the following presentation to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

AES Met or Exceeded Every Goal in 2020

→ Exceeded financial goals

- Adjusted EPS[1] of $1.44 (vs. guidance of $1.32 to $1.42)
- Parent Free Cash Flow[1] of $777 million (vs. expectation of $725 to $775 million)

→ Attained a second investment grade rating in November 2020

→ Reduced coal generation to 25% of total generation[2]

- Sold or retired 4.5 GW of coal
- Signed PPAs for 3 GW of new renewables (vs. annual target of 2 to 3 GW), bringing backlog to 6.9 GW

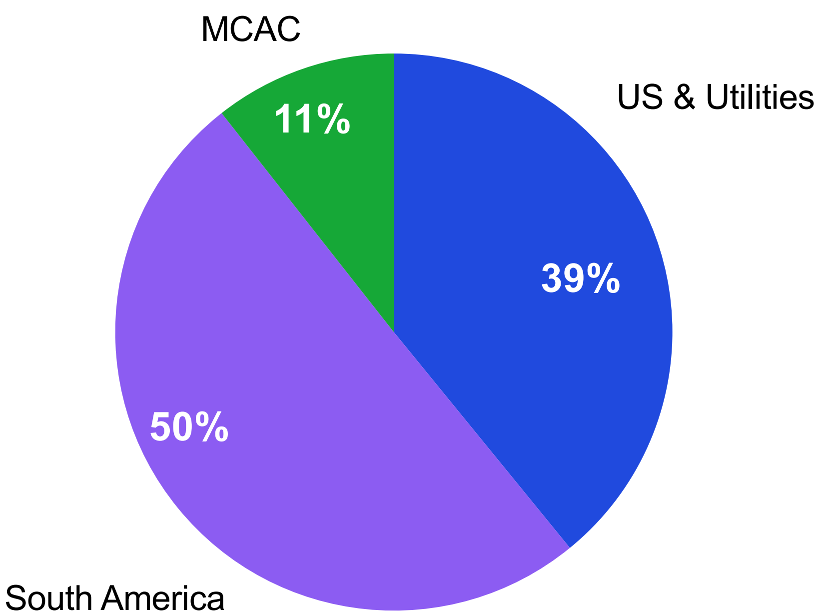
→ Fluence signed 785 MW of new energy storage, bringing total capacity delivered or awarded to 2.4 GW

1. A non-GAAP financial measure. See Appendix for definition.
2. Based on annual generation in MWh from the portfolio as of, or expected by, the relevant date, adjusted for: (i) (+) generation from new assets added to the portfolio; and (ii) (-) actual generation from announced asset sales or retirements.

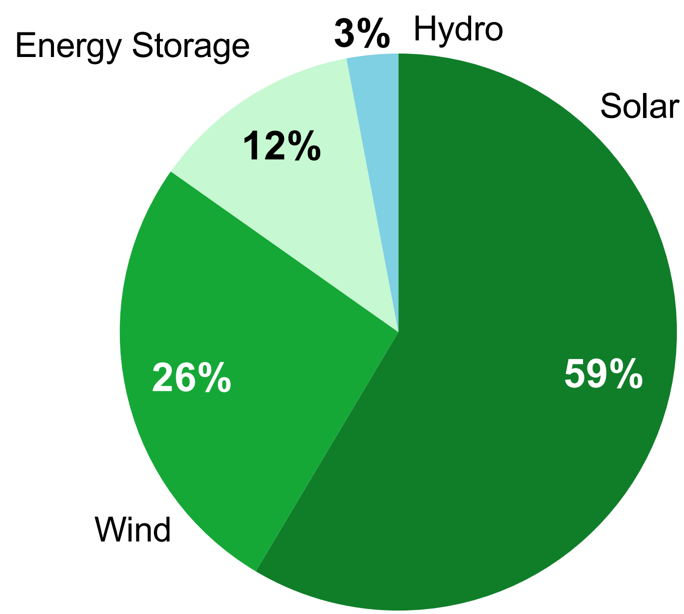
3 GW of Renewables Signed Under Long-Term PPAs in 2020 vs. 2 to 3 GW Target

Capacity in GW

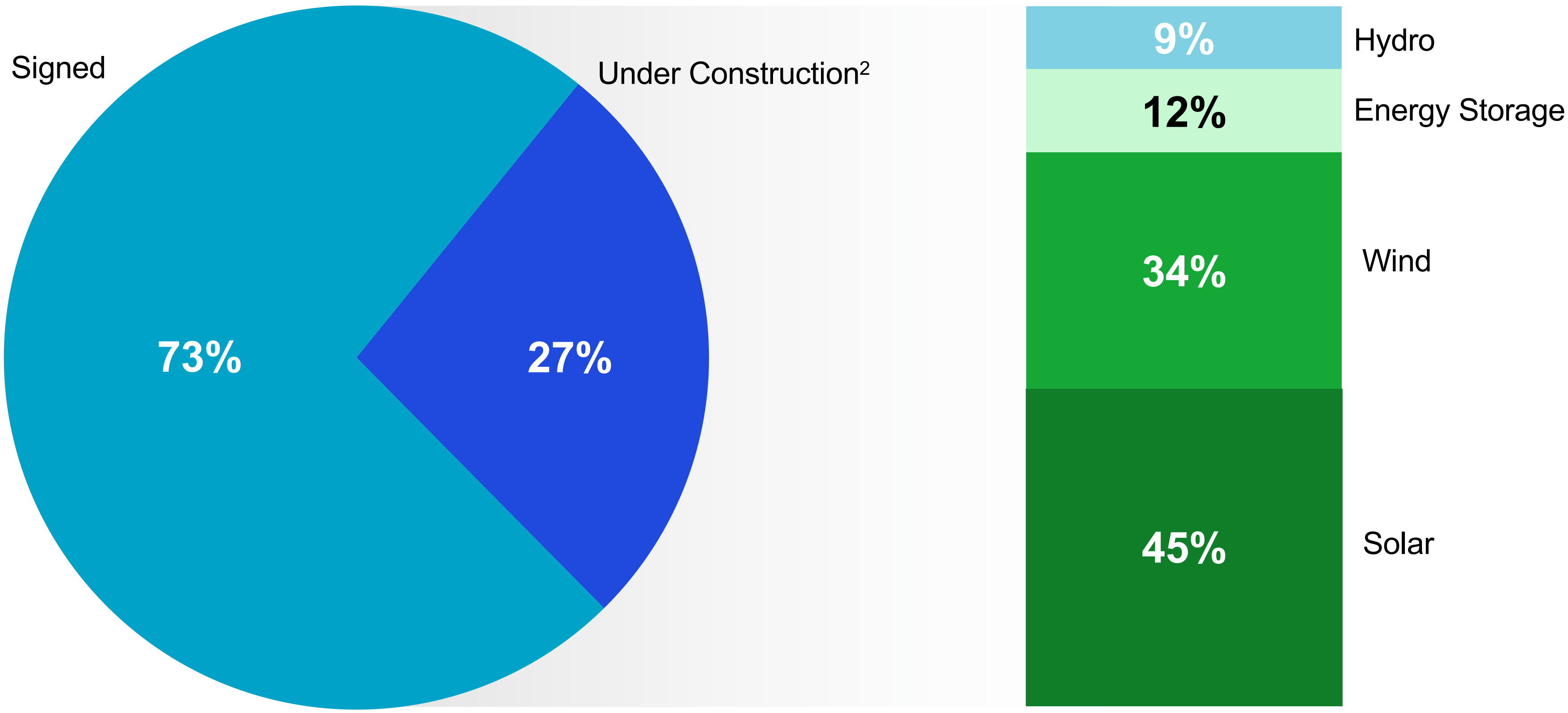
Geography



Technology



6.9 GW Backlog of Renewables[1]



1. US & Utilities: 2,644 MW; South America: 3,529 MW; MCAC: 736 MW.
2. As of December 31, 2020.

Fluence is a Globally Recognized and Trusted Brand in Energy Storage with a Demonstrated Track Record

- → Signed 785 MW of new energy storage in 2020
- → 2.4 GW of total capacity delivered or awarded
- → 400% revenue growth vs. 2019
- → Acquired AMS' leading AI-enabled bidding software business
- → Qatar Investment Authority (QIA) agreed to invest in Fluence through a private placement
    - Accelerates growth and global deployment of grid-scale energy storage technology

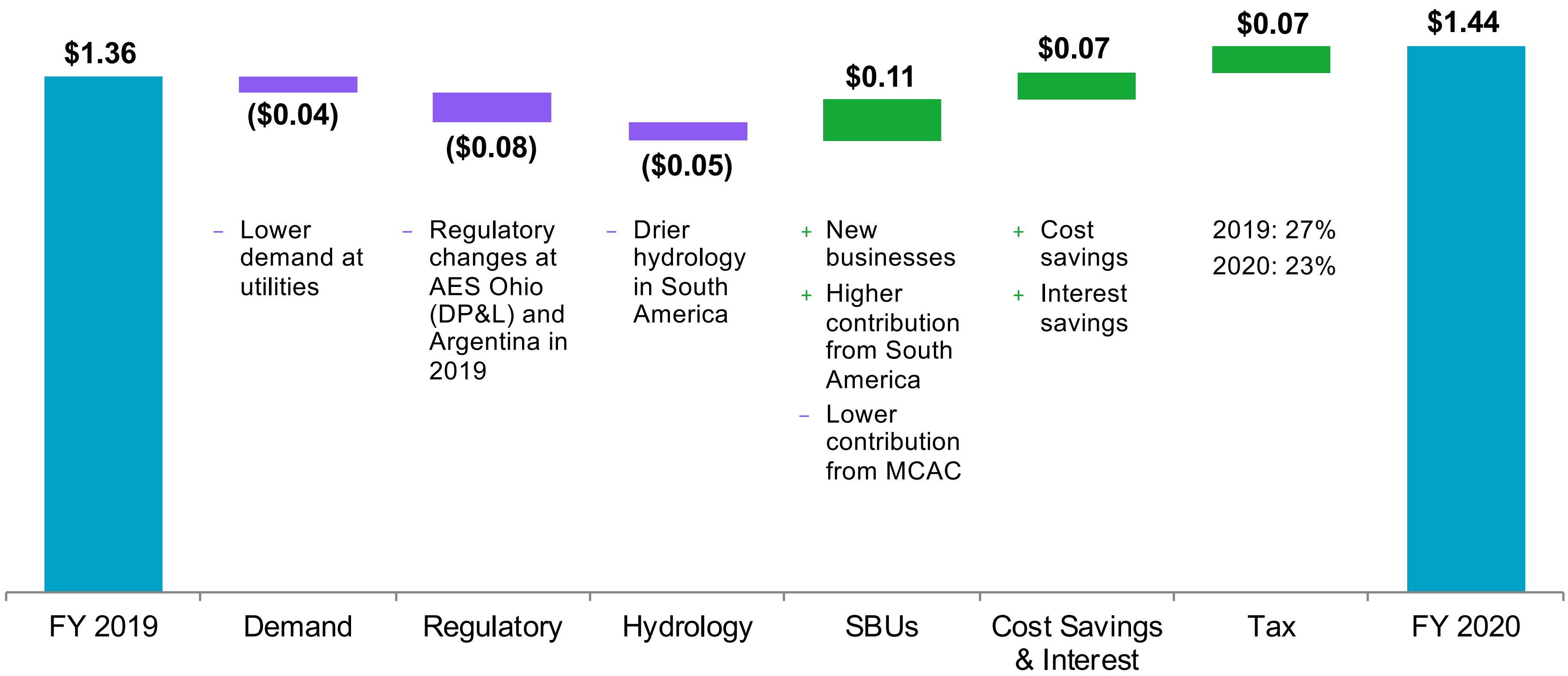
Q4 & FY 2020 Financial Review

→ 2020 results

→ 2020 Parent capital allocation

→ 2021 guidance

FY 2020 Adjusted EPS[1] Increased $0.08



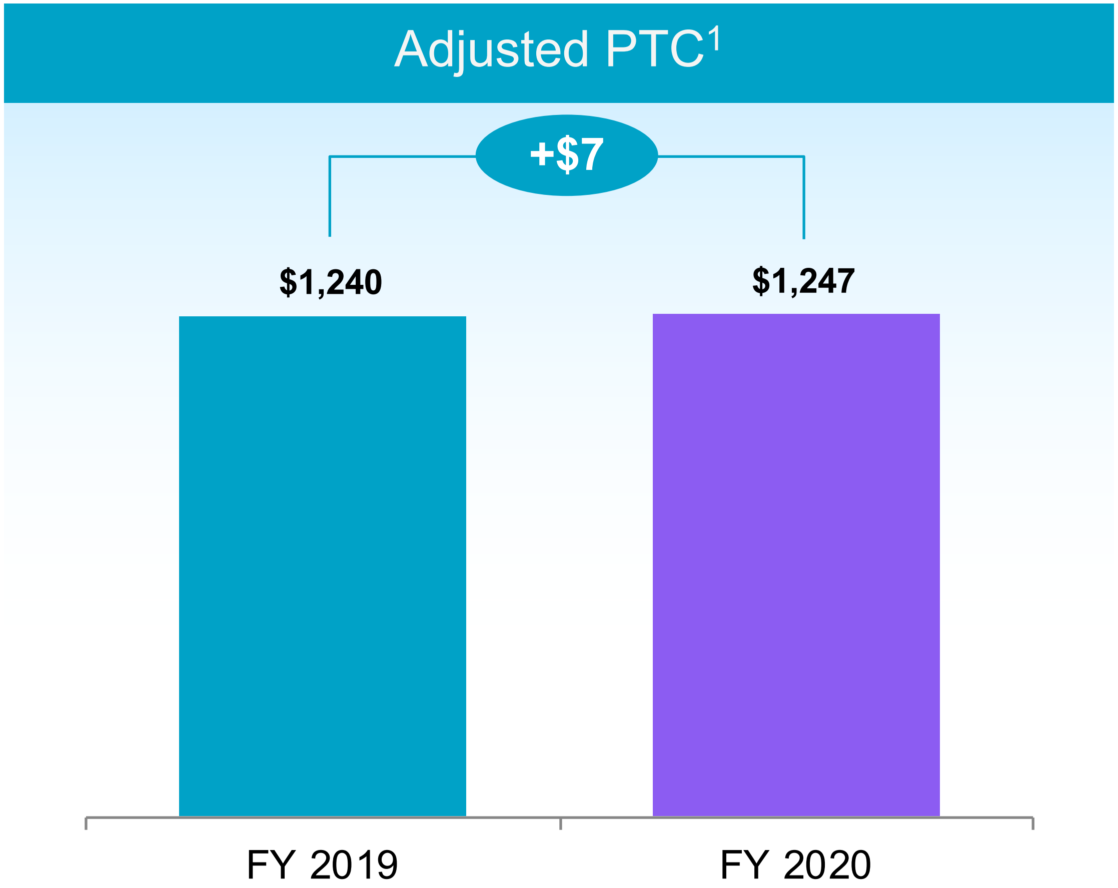
1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

FY Financial Results

$ in Millions

→ Slightly higher Adjusted PTC[1] driven primarily by:
- New businesses;
- Higher contributions from South America and Eurasia; and
- Cost savings and interest savings

→ Largely offset by lower contributions from US & Utilities and MCAC



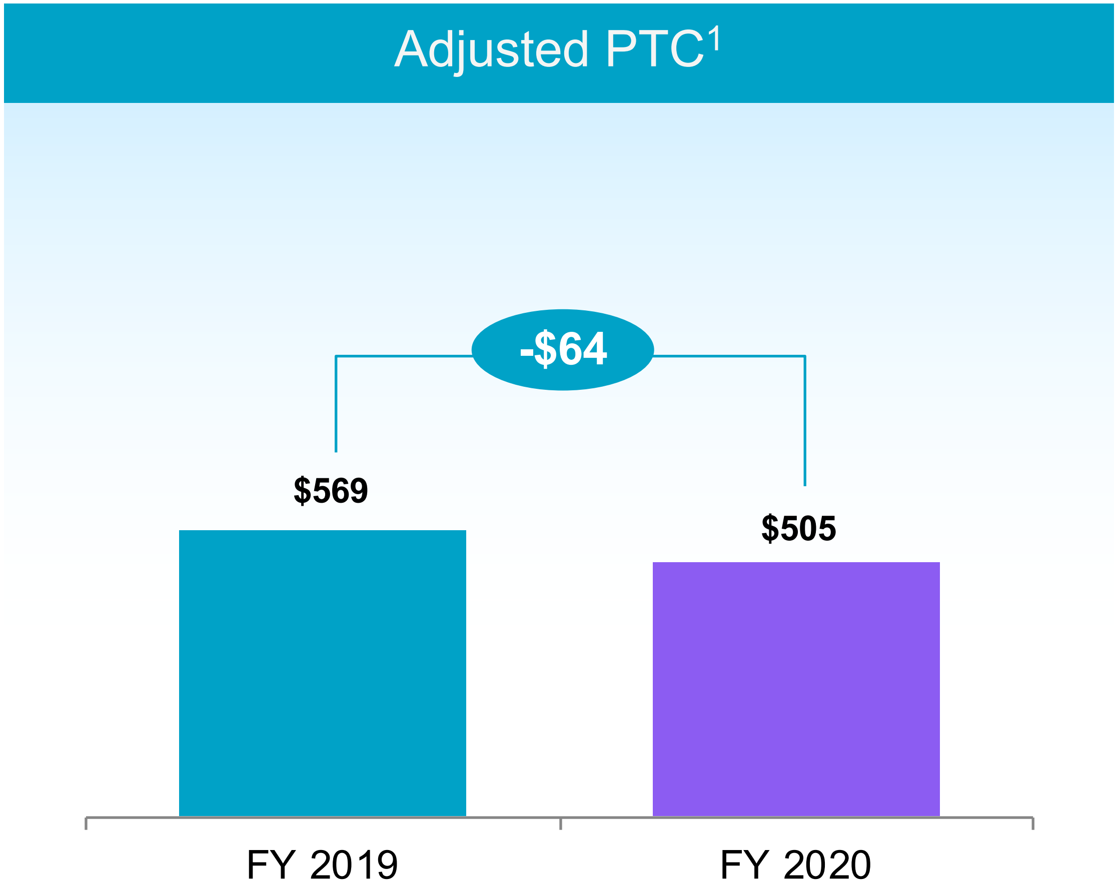
1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

FY Financial Results: US & Utilities SBU

$ in Millions

→ Lower Adjusted PTC[1] driven primarily by:
- Lower margin at AES Ohio (DP&L) due to reversion to ESP 1 rates in Q4 2019;
- Lower demand at utilities due to the impact of COVID-19 and milder weather; and
- Decrease in asset retirement obligations at AES Ohio (DP&L) in 2019

→ Partially offset by:
- Higher contributions from the commencement of PPAs at Southland CCGTs; and
- Higher contribution from renewables



1. A non-GAAP financial measure. See Appendix for definition.

FY Financial Results: South America SBU

$ in Millions

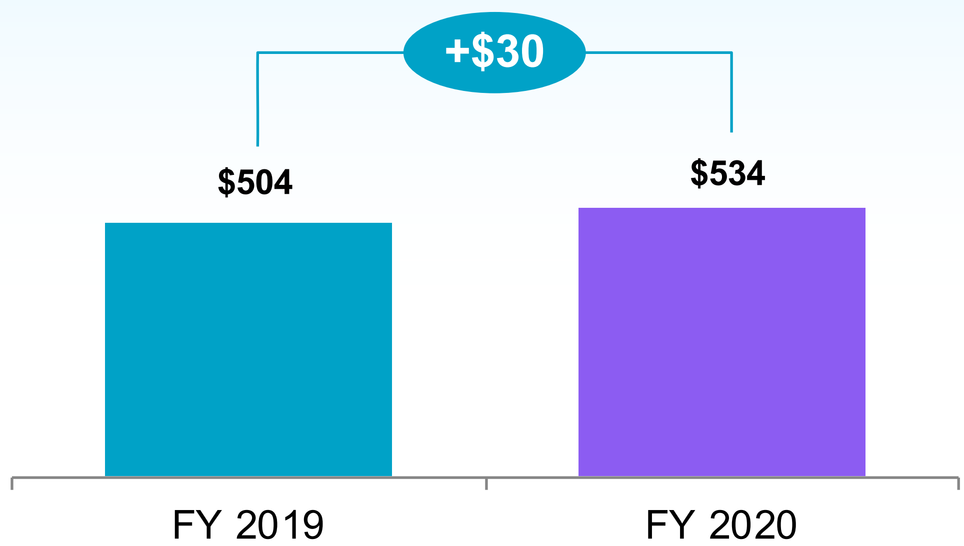
→ Higher Adjusted PTC[1] driven primarily by:

- Higher contributions from AES Gener, including recovery of previously expensed payments from customers in Chile; and
- Favorable revision of regulatory charges to recover costs incurred in the prior years at AES Brasil (AES Tietê)

→ Partially offset by:

- Drier hydrology and a planned major outage at the Chivor hydro plant in Colombia; and
- Regulatory changes in Argentina in 2019

Adjusted PTC[1]



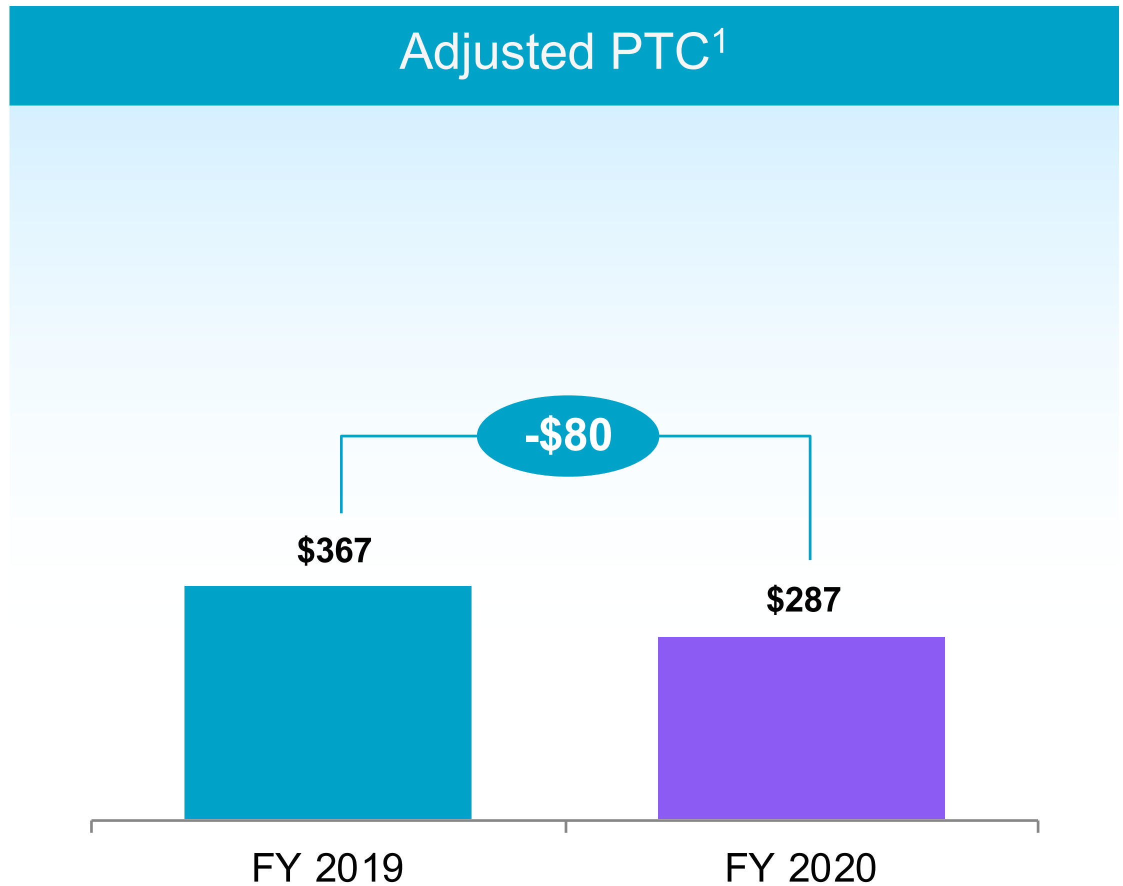
1. A non-GAAP financial measure. See Appendix for definition.

FY Financial Results: MCAC SBU

$ in Millions

→ Lower Adjusted PTC[1] driven primarily by insurance recovery in 2019, as well as outages incurred in 2020 in the Dominican Republic

→ Partially offset by improved availability and hydrology in Panama

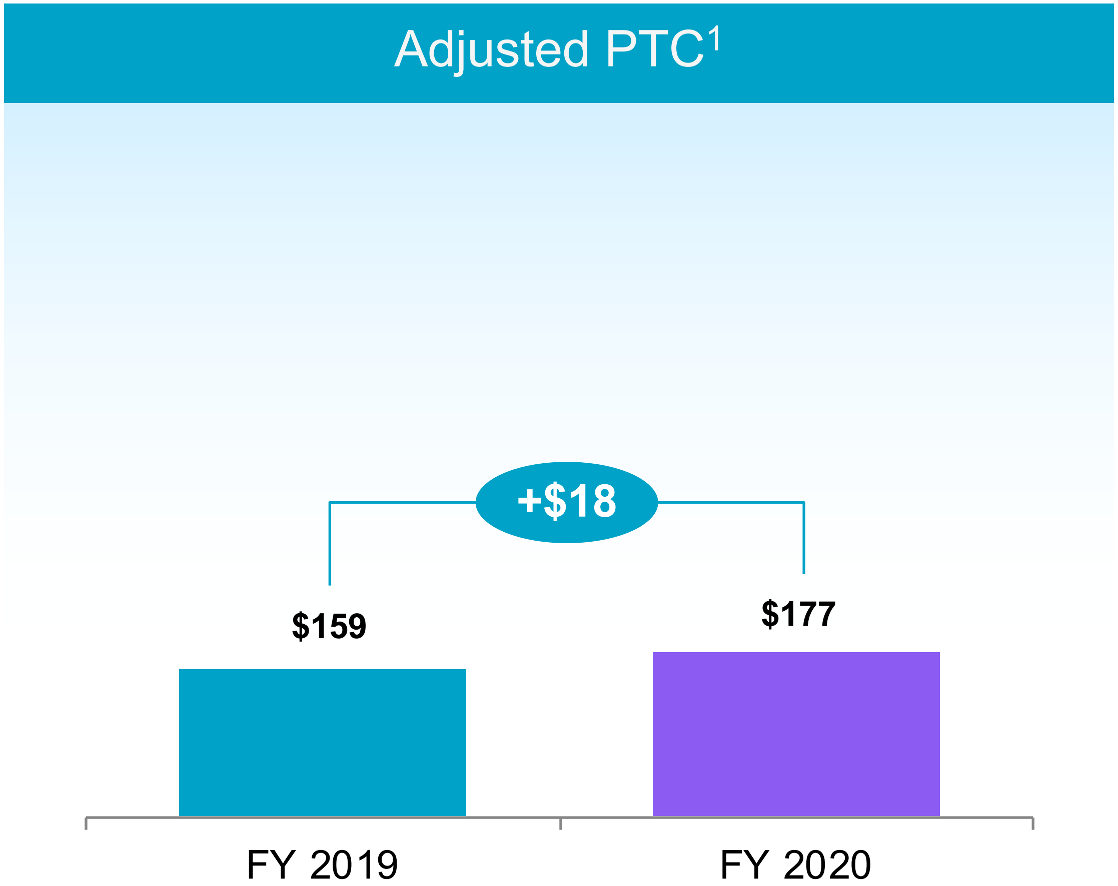


1. A non-GAAP financial measure. See Appendix for definition.

FY Financial Results: Eurasia SBU

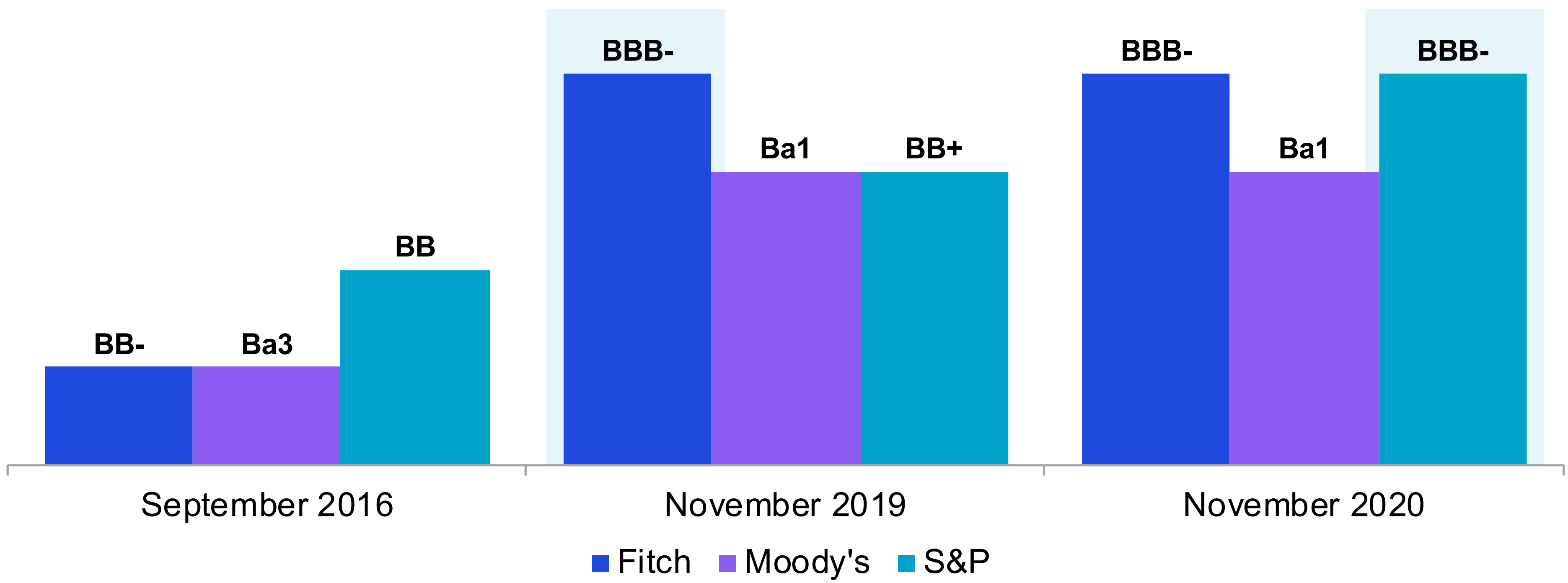
$ in Millions

- Higher Adjusted PTC[1] driven primarily by lower interest expense due to debt repayment in 2020 in Bulgaria, as well as higher contributions from OPGC in India
- Partially offset by the impact of businesses sold in the United Kingdom in 2019



1. A non-GAAP financial measure. See Appendix for definition.

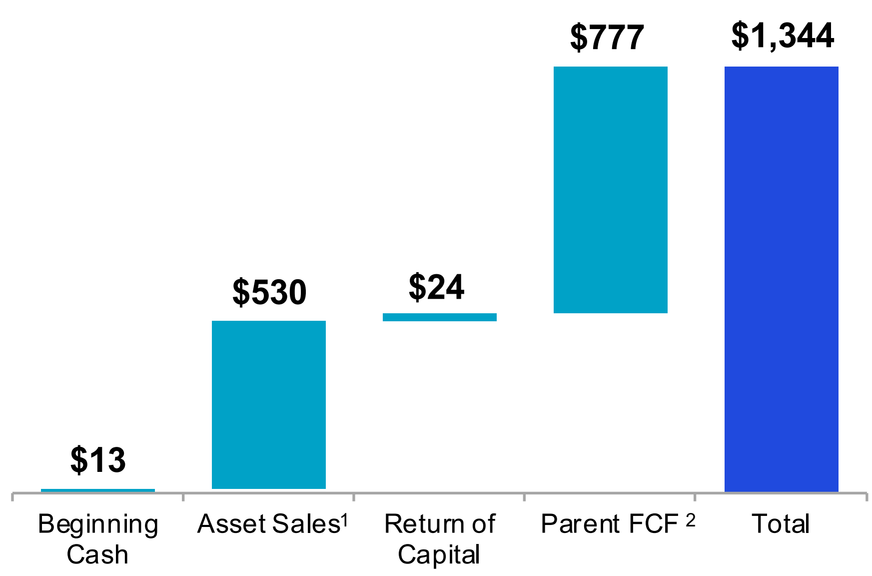
Attained Two Investment Grade Ratings



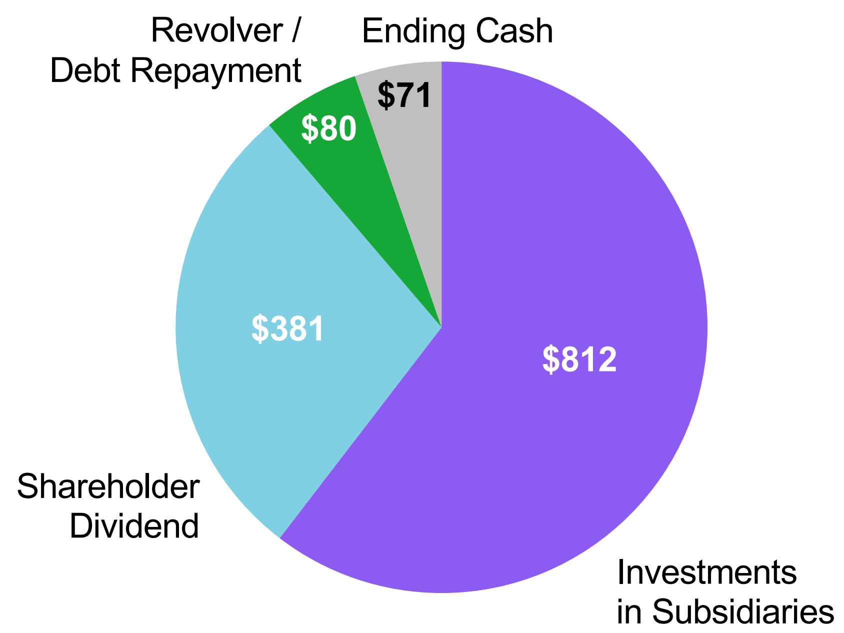
2020 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($1,344)

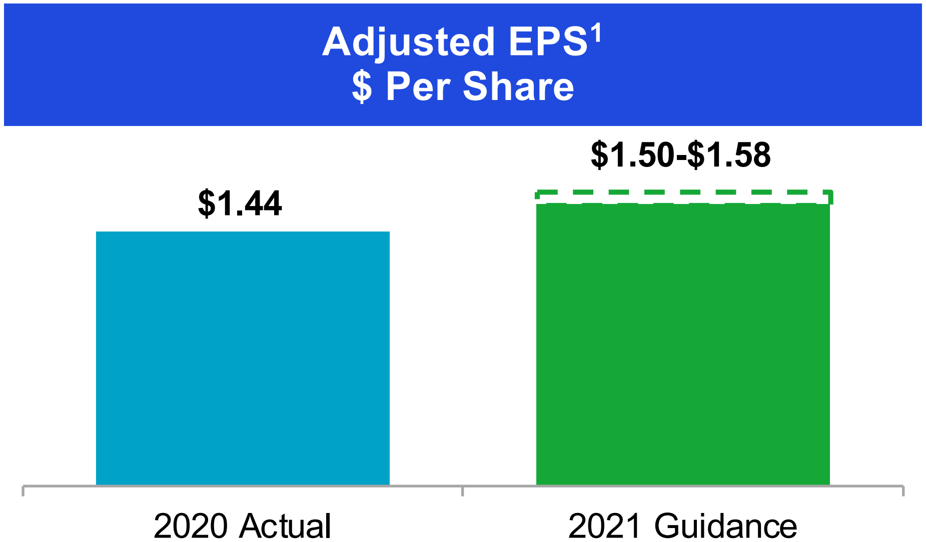


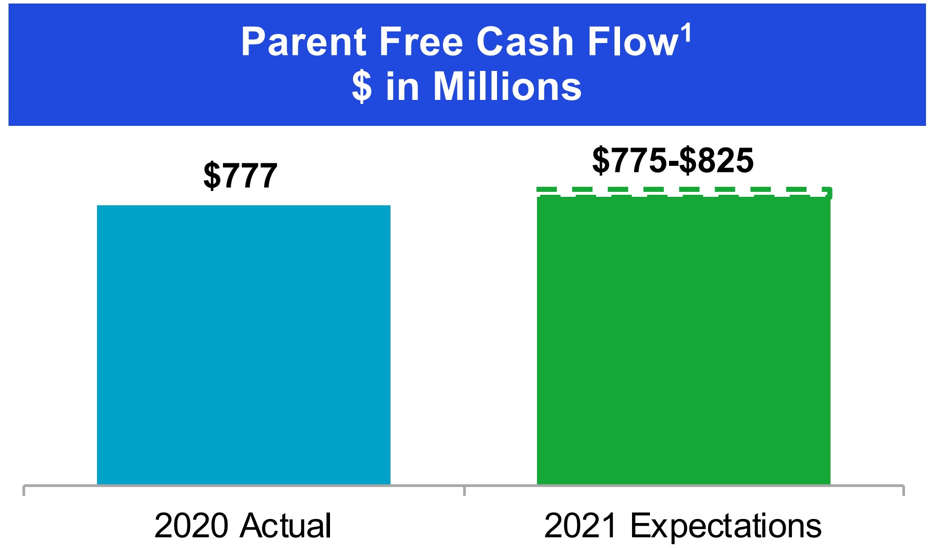
Discretionary Cash – Uses ($1,344)



1. Includes sale of OPGC 1&2 in India and the sell-down of Southland Energy in California.
2. A non-GAAP financial measure. See Appendix for definition.

2021 Guidance & Expectations





→ Growth in 2021 driven by:

- Contributions from new businesses: Southland Energy in California, which came on-line in mid-2020; 4 GW of backlog projects expected to be completed in 2021
- Benefits from cost savings and digital initiatives
- Reduced interest expense from refinancings in 2020

1. A non-GAAP financial measure. See Appendix for definition.

Key Takeaways

→Met or exceeded all of our strategic and financial goals for 2020

→Significant growth opportunities across our sector, and with our leadership position, we are well-positioned to capitalize in the near- and long-term

→Look forward to discussing our strategy for capturing this growth and our longer-term financial outlook at our Investor Day next week

Continue to Deliver Superior Returns to Shareholders

Appendix

Parent Only Cash Flow & Liquidity	Slides 19-21
Q4 & FY Adjusted EPS[1] Roll-Up	Slide 22
Q4 Adjusted EPS[1] and Adjusted PTC[1]	Slides 23-28
Listed Subs & Public Filers	Slide 29
SBU Modeling Disclosures	Slides 30-32
2021 Adjusted PTC[1] Modeling Ranges	Slide 33
AES Modeling Disclosures	Slide 34
Currencies and Commodities	Slides 35-38
Renewables Signed Under Long-Term Contracts	Slide 39
Reconciliations	Slides 40-42
Assumptions & Definitions	Slides 43-44

1. A non-GAAP financial measure. See “definitions”.

Parent Sources and Uses of Liquidity

$ in Millions	Q4		FY	
	2020	2019	2020	2019
Sources				
Total Subsidiary Distributions[1]	$335	$396	$1,146	$1,191
Proceeds from Asset Sales, Net	$530	-	$530	$204
Financing Proceeds, Net	$1,781	($3)	$3,361	($3)
Increased/(Decreased) Credit Facility Commitments	-	($100)	-	($100)
Issuance of Common Stock, Net	-	-	-	-
Total Returns of Capital Distributions & Project Financing Proceeds	($118)	$19	$45	$216
Beginning Parent Company Liquidity[2]	$300	$751	$814	$1,046
Total Sources	$2,828	$1,063	$5,896	$2,554
Uses				
Repayments of Debt	($1,769)	($1)	($3,365)	($450)
Shareholder Dividend	($95)	($91)	($381)	($362)
Investments in Subsidiaries, Net	$110	($77)	($812)	($573)
Cash for Development, Selling, General & Administrative and Taxes	($40)	($46)	($198)	($266)
Cash Payments for Interest	($50)	($52)	($172)	($200)
Changes in Letters of Credit and Other, Net	($60)	$18	($44)	$111
Ending Parent Company Liquidity[2]	($924)	($814)	($924)	($814)
Total Uses	($2,828)	($1,063)	($5,896)	($2,554)

1. See “definitions”.
2. A non-GAAP financial measure. See “definitions”.

Q4 & FY 2020 Subsidiary Distributions[1]

$ in Millions

Subsidiary Distributions[1] by SBU	Q4 2020	FY 2020
US & Utilities	$73	$394
South America	$121	$270
MCAC	$112	$224
Eurasia	$27	$211
Corporate & Other[2]	$2	$47
Total	$335	$1,146

Top Ten Subsidiary Distributions[1] by Business

Q4 2020				FY 2020			
Business	Amount	Business	Amount	Business	Amount	Business	Amount
AES Gener (South America)	$120	Mong Duong (Eurasia)	$14	US Holdco (US & Utilities)	$213	Maritza East (Eurasia)	$72
Andres (MCAC)	$41	IPALCO (US & Utilities)	$11	AES Gener (South America)	$198	Andres (MCAC)	$55
US Holdco (US & Utilities)	$36	Itabo (MCAC)	$9	Mong Duong (Eurasia)	$184	AES Panama (MCAC)	$46
AES Panama (MCAC)	$34	CLESA (US & Utilities)	$9	IPALCO (US & Utilities)	$104	Global Insurance (Corp & Other)	$44
TEG TEP (MCAC)	$16	Amman East (Eurasia)	$9	Los Mina (MCAC)	$83	Itabo (MCAC)	$19

1. See “definitions”.
2. Corporate & Other includes Global Insurance.

Reconciliation of Subsidiary Distributions[1] and Parent Liquidity[1]

$ in Millions

	Quarter Ended			
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Total Subsidiary Distributions[1] to Parent & QHCs[2]	$335	$220	$401	$189
Total Return of Capital Distributions to Parent & QHCs[2]	($118)	-	$163	-
Total Subsidiary Distributions[1] & Returns of Capital to Parent	$217	$220	$564	$189

	Balance as of			
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Cash at Parent & QHCs[2]	$71	$26	$91	$346
Availability Under Credit Facilities	$853	$274	$518	$181
Ending Liquidity	$924	$300	$609	$527

1. A non-GAAP financial measure. See “definitions”.
2. Qualified Holding Company. See “assumptions”.

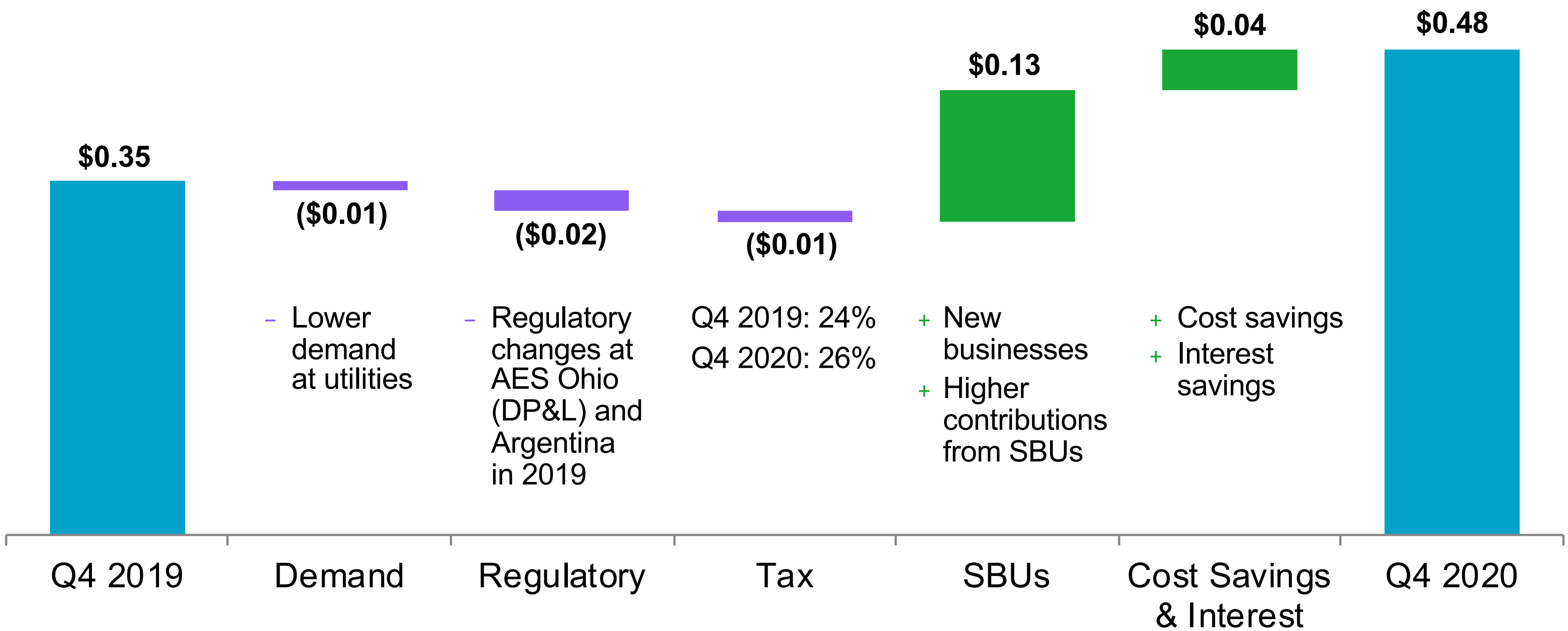
Q4 & FY Adjusted EPS[1] Roll-Up

$ in Millions, Except Per Share Amounts

	Q4 2020	Q4 2019	Variance	FY 2020	FY 2019	Variance
Adjusted PTC[1]						
US & Utilities	$192	$142	$50	$505	$569	($64)
South America	$153	$144	$9	$534	$504	$30
MCAC	$86	$69	$17	$287	$367	($80)
Eurasia	$44	$45	($1)	$177	$159	$18
Total SBUs	$475	$400	$75	$1,503	$1,599	($96)
Corp/Other	($47)	($98)	($51)	($256)	($359)	$103
Total AES Adjusted PTC[1,2]	$428	$302	$126	$1,247	$1,240	$7
Adjusted Effective Tax Rate	26%	24%		23%	27%	
Diluted Share Count	669	668		668	667	
Adjusted EPS[1]	$0.48	$0.35		$1.44	$1.36	

1. A non-GAAP financial measure. See Slides 40-41 for reconciliation to the nearest GAAP measure and “definitions”.
2. Includes $38 million and ($6) million of adjusted after-tax equity in earnings for Q4 2020 and Q4 2019, respectively, and $53 million and $2 million for FY 2020 and FY 2019, respectively.

Q4 2020 Adjusted EPS[1] Increased $0.13



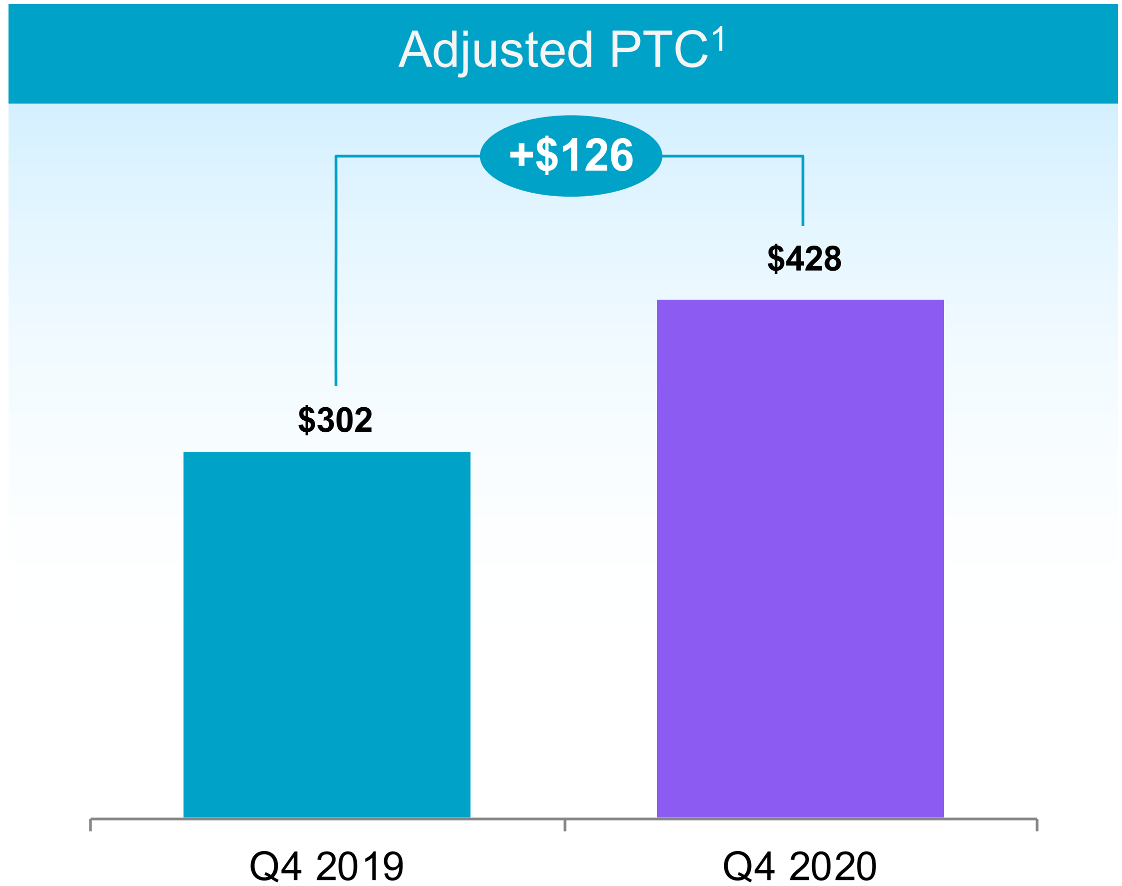
1. A non-GAAP financial measure. See Slide 40 for reconciliation to the nearest GAAP measure and "definitions".

Q4 Financial Results

$ in Millions

→ Higher Adjusted PTC[1] driven primarily by:

- Higher contributions from US & Utilities and MCAC; and
- Cost savings and interest savings



1. A non-GAAP financial measure. See Slide 40 for reconciliation to the nearest GAAP measure and "definitions".

Q4 Financial Results: US & Utilities SBU

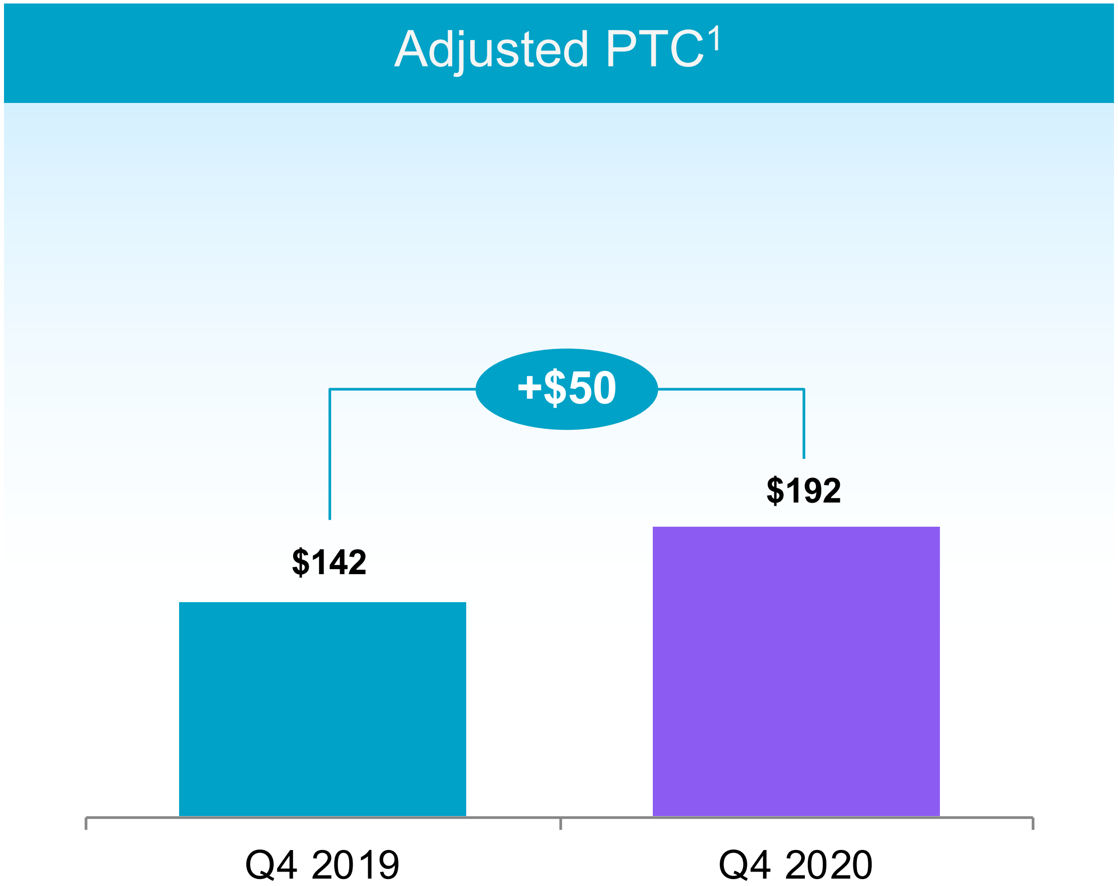
$ in Millions

→ Higher Adjusted PTC[1] driven primarily by:

- Higher contributions from the commencement of PPAs at Southland; and
- Higher contributions from renewables

→ Partially offset by:

- Lower margin at AES Ohio (DP&L) due to reversion to ESP 1 rates in Q4 2019; and
- Lower demand at utilities due to the impact of COVID-19 and milder weather



1. A non-GAAP financial measure. See “definitions”.

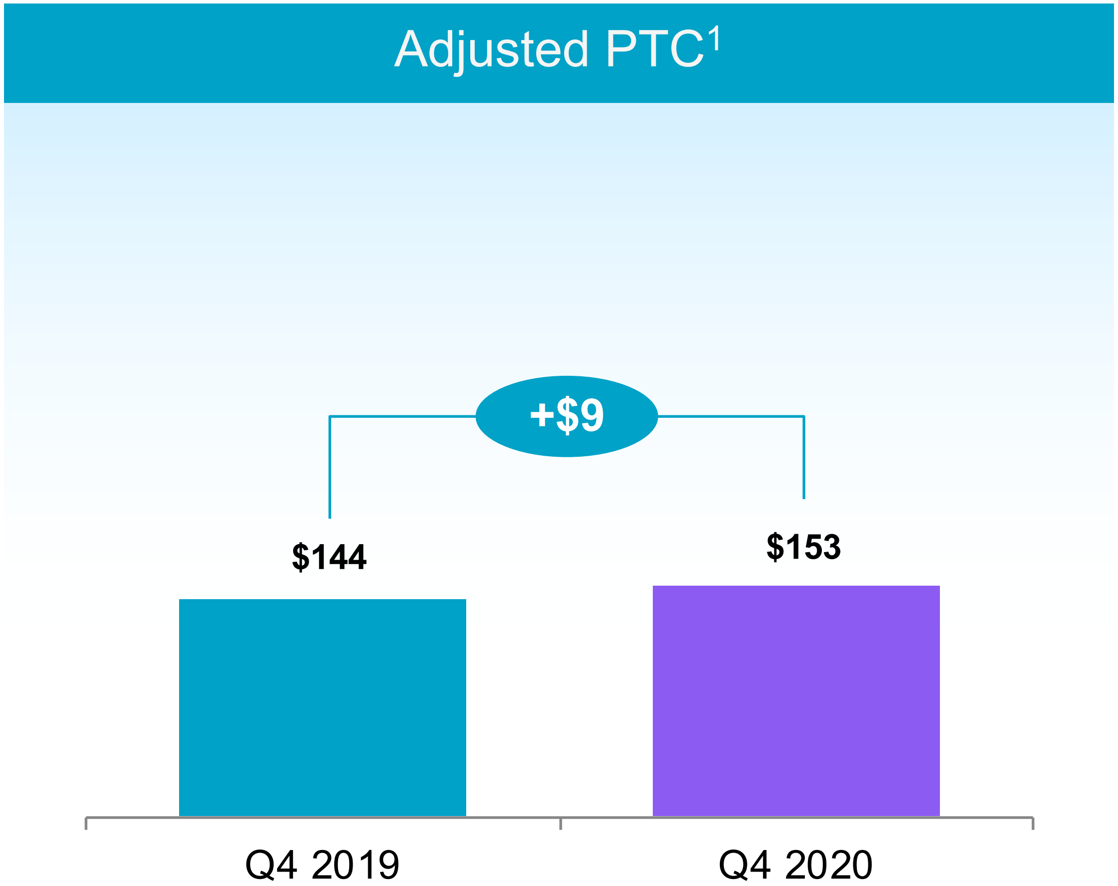
Q4 Financial Results: South America SBU

$ in Millions

→ Higher Adjusted PTC[1] driven primarily by favorable revision of regulatory charges to recover costs incurred in the prior years at AES Brasil (AES Tietê)

→ Partially offset by:

- Drier hydrology at the Chivor hydro plant in Colombia; and
- Regulatory changes in Argentina in 2019



1. A non-GAAP financial measure. See “definitions”.

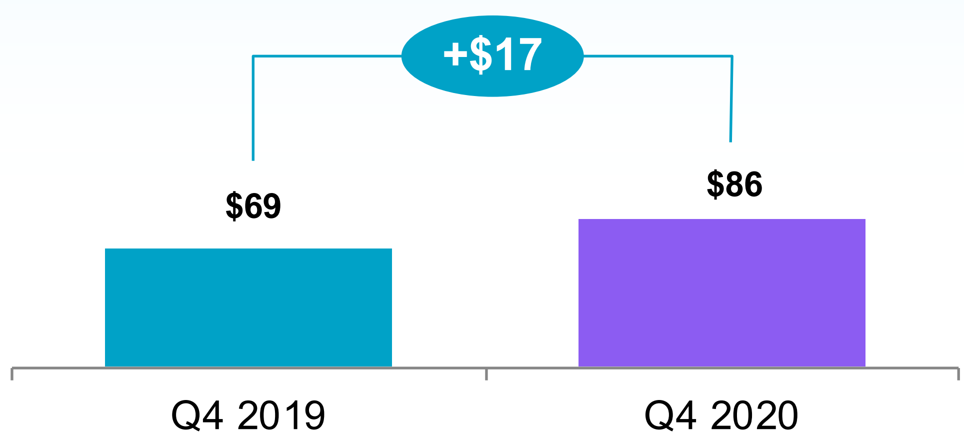
Q4 Financial Results: MCAC SBU

$ in Millions

→ Higher Adjusted PTC[1] driven primarily by:

- Improved availability and hydrology in Panama; and
- Higher gas sales margin in the Dominican Republic

Adjusted PTC[1]



1. A non-GAAP financial measure. See "definitions".

Q4 Financial Results: Eurasia SBU

$ in Millions

- → Lower Adjusted PTC[1] driven primarily by lower contributions from Vietnam
- → Partially offset by higher contributions from the rest of Eurasia

Adjusted PTC[1]

1. A non-GAAP financial measure. See “definitions”.

FY Adjusted PTC[1]: Reconciliation to Public Financials of Listed Subsidiaries & Public Filers

AES SBU/Reporting Country	US & Utilities/US				South America/Chile		South America/Brazil	
AES Company	AES Indiana (IPL)		AES Ohio (DPL)		AES Gener[2]		AES Brasil[2]	
$ in Millions	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
US GAAP Reconciliation								
AES Business Unit Adjusted Earnings[1,3]								
Adjusted PTC[1,3] Public Filer (Stand-alone)	$96	$118	$25	$126	$344	$328	$92	$25
Impact of AES Differences from Public Filings	-	-	-	-	$2	$3	-	-
AES Business Unit Adjusted PTC[1]	$96	$118	$25	$126	$346	$331	$92	$25
Unrealized Derivatives and Equity Security Gains (Losses)	-	-	-	$1	($7)	($13)	$1	-
Unrealized Foreign Currency Gains (Losses)	-	-	-	-	($3)	($6)	($1)	($1)
Impairment Expense	($1)	-	-	($4)	($612)	($105)	-	-
Disposition/Acquisition Gains (Losses)	-	($4)	-	$21	$2	($3)	-	-
Losses on Extinguishment of Debt	($1)	-	($32)	($45)	($22)	($35)	-	-
Net gains from early contract terminations at Angamos	-	-	-	-	$182	-	-	-
Non-Controlling Interest before Tax	$45	$53	-	-	($36)	$98	$147	$84
Income Tax Expenses	($29)	($37)	$5	$6	$13	($100)	($74)	($20)
US GAAP Income from Continuing Operations[4]	$110	$130	($2)	$105	($137)	$167	$165	$88
Adjustment to Depreciation & Amortization[5]					($37)	($41)	($8)	($12)
Adjustment to Taxes					$18	($12)	$4	$6
Other Adjustments					($115)	$10	$5	($7)
IFRS Net Income					($271)	$124	$166	$75
BRL-USD Implied Exchange Rate							5.1057	3.9718

This table provides financial data of those operating subsidiaries of AES that are publicly listed or have publicly filed financial information on a stand-alone basis. The table provides a reconciliation of the subsidiary's adjusted PTC as it is included in AES consolidated adjusted PTC with the subsidiary's income/(loss) from continuing operations under US GAAP and the subsidiary's locally IFRS reported net income, if applicable. Readers should consult the subsidiary's publicly filed reports for further details of such subsidiary's results of operations.

1. A non-GAAP financial measure. Reconciliation provided above. See "definitions" for descriptions of adjustments.
2. The listed subsidiary is a public filer in its home country and reports its financial results locally under IFRS. Accordingly certain adjustments presented under IFRS Reconciliation are required to account for differences between US GAAP and local IFRS standards.
3. Total Adjusted PTC, US GAAP Income from continuing operations and intervening adjustments are calculated before the elimination of inter-segment transactions such as revenue and expenses related to the transfer of electricity from AES generation plants to AES utilities.
4. Represents the income/(loss) from continuing operations of the subsidiary included in the consolidated operating results of AES under US GAAP.
5. Adjustment to depreciation and amortization expense represents additional expense required due primarily to basis differences of long-lived and intangible assets under IFRS for each reporting period.

FY 2020 Modeling Disclosures

$ in Millions

	Adjusted PTC[1]	Interest Expense			Interest Income			Depreciation & Amortization		
		Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
US & Utilities	$505	$371	($43)	$328	$17	($1)	$16	$534	($99)	$435
AES Ohio (DPL)	$25	$71	-	$71	-	-	-	$73	-	$73
AES Indiana (IPL)	$96	$129	($38)	$91	-	-	-	$247	($74)	$173
South America	$534	$237	($115)	$122	$64	($12)	$52	$294	($113)	$181
AES Gener	$346	$74	($39)	$35	$9	($3)	$6	$214	($83)	$131
AES Brasil (AES Tietê)	$92	$112	($73)	$39	$12	($8)	$4	$52	($29)	$23
MCAC	$287	$157	($32)	$125	$14	($4)	$10	$164	($52)	$112
Eurasia	$177	$113	($44)	$69	$171	($83)	$88	$63	($2)	$61
Subtotal	$1,503	$878	($234)	$644	$266	($100)	$166	$1,055	($266)	$789
Corp/Other	($256)	$160	-	$160	$2	-	$2	$13	-	$13
Total	$1,247	$1,038	($234)	$804	$268	($100)	$168	$1,068	($266)	$802

1. A non-GAAP financial measure. See Slide 41 for reconciliation to the nearest GAAP measure and "definitions".

FY 2020 Modeling Disclosures

$ in Millions

	Total Debt			Cash & Cash Equivalents, Restricted Cash, Short-Term Investments, Debt Service Reserves & Other Deposits		
	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
US & Utilities	$7,890	($1,508)	$6,382	$823	($171)	$652
AES Ohio (DPL)	$1,494	-	$1,494	$26	-	$26
AES Indiana (IPL)	$2,726	($818)	$1,908	$27	($8)	$19
South America	$5,608	($2,201)	$3,407	$807	($341)	$466
AES Gener	$4,038	($1,641)	$2,397	$272	($98)	$174
AES Brasil (AES Tietê)	$954	($533)	$421	$419	($234)	$185
MCAC	$2,168	($57)	$2,111	$246	($58)	$188
Eurasia	$785	($58)	$727	$148	($5)	$143
Subtotal	$16,451	($3,824)	$12,627	$2,024	($575)	$1,449
Corp/Other	$3,431	-	$3,431	$139	-	$139
Total	$19,882	($3,824)	$16,058	$2,163	($575)	$1,588

Q4 2020 Modeling Disclosures

$ in Millions

	Adjusted PTC[1]	Interest Expense			Interest Income			Depreciation & Amortization		
		Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
US & Utilities	$192	$101	($13)	$88	$4	-	$4	$135	($25)	$110
AES Ohio (DPL)	$6	$16	-	$16	-	-	-	$19	-	$19
AES Indiana (IPL)	$11	$33	($10)	$23	-	-	-	$63	($19)	$44
South America	$153	$101	($41)	$60	$20	($4)	$16	$72	($28)	$44
AES Gener	$64	$48	($20)	$28	$4	($1)	$3	$52	($21)	$31
AES Brasil (AES Tietê)	$75	$37	($21)	$16	$4	($2)	$2	$12	($7)	$5
MCAC	$86	$40	($5)	$35	$3	($1)	$2	$38	($11)	$27
Eurasia	$44	$27	($10)	$17	$43	($21)	$22	$17	-	$17
Subtotal	$475	$269	($69)	$200	$70	($26)	$44	$262	($64)	$198
Corp/Other	($47)	$28	-	$28	-	-	-	$3	-	$3
Total	$428	$297	($69)	$228	$70	($26)	$44	$265	($64)	$201

1. A non-GAAP financial measure. See Slide 40 for reconciliation to the nearest GAAP measure and “definitions”.

2021 Adjusted PTC Modeling Ranges

$ in Millions

SBU	2021 Adjusted PTC Modeling Ranges as of 2/25/21[1]	Drivers of Growth Versus 2020
US & Utilities	$620 - $650	+ Southland Energy full year operations + Renewables + Normalized pre-COVID demand
South America	$430 - $450	− Brazil GSF revision in 2020 + Normalized hydrology
MCAC	$300 - $320	+ Higher availability in DR and Panama − Itabo sale
Eurasia	$160 - $170	− OPGC
Total SBUs	$1,510 - $1,590	
Corporate & Other[2]	($165) - ($175)	+ Interest savings + Cost savings
Total AES Adjusted PTC[1,2]	$1,345 - $1,415	

1. A non-GAAP financial metric. See “definitions”.
2. Total AES Adjusted PTC includes after-tax adjusted equity in earnings.

AES Modeling Disclosures

$ in Millions

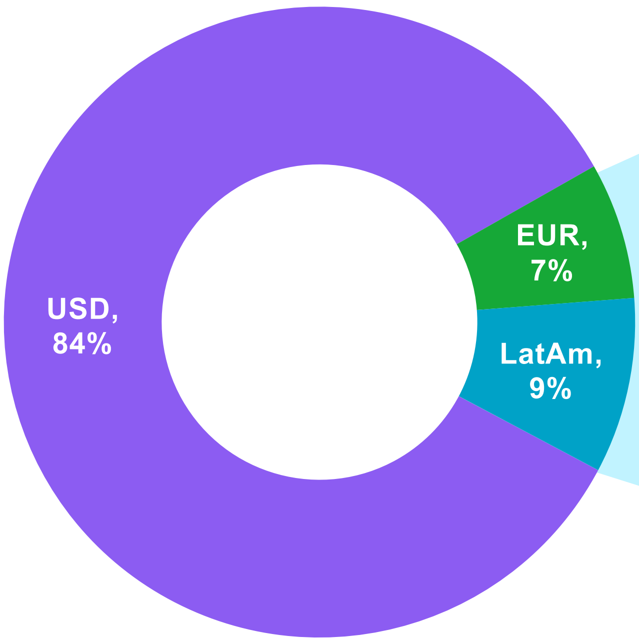
	2021
Subsidiary Distributions (a)	$1,050-$1,100
Cash Interest (b)	($95)
Corporate Overhead	($90)
Parent-Funded SBU Overhead	($85)
Business Development/Taxes	($5)
Cash for Development, General & Administrative and Tax (c)	($180)
Parent Free Cash Flow[1] (a – b – c)	$775-$825

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort. See "definitions".

Limited Exposure to Fluctuations in Foreign Currency

2021-2023 Cumulative Exposure

Composition by Currency



Annualized Impact[1] of 10% USD Appreciation on Adjusted PTC[2] After Hedging

	$ in Millions
Argentine Peso (ARS)	($9.0)
Colombian Peso (COP)	($8.0)
Euro (EUR)	($7.0)
Chilean Peso (CLP)	$7.0
Brazilian Real (BRL)	($3.0)
Others	<($0)
% of Annualized Adjusted PTC[2]	(1.2%)

$0.02 Annualized EPS Impact From 10% Appreciation of USD

1. 10% USD appreciation relative to currency market forward curves as of December 31, 2020. Exception: Argentine Peso and Brazilian Real forward curves are based on AES internal FX rate assessment. Sensitivities are rounded to the nearest $1M. Excludes inflation adjustments earned through contracts in Argentina and Colombia that provide additional benefit.
2. As of December 31, 2020. A non-GAAP financial measure. See “definitions”.

FY 2021 Guidance Estimated Sensitivities

Interest Rates[1]

100 bps increase in interest rates over 2021 is forecasted to have a change in Adjusted EPS of approximately ($0.02)

Currencies

10% appreciation of USD against following currencies is forecasted to have the following Adjusted EPS impacts:	FY 2021	
	Average Rate	Sensitivity
Argentine Peso (ARS)[2]	118.11	Less than ($0.005)
Brazilian Real (BRL)[2]	5.24	Less than ($0.005)
Chilean Peso (CLP)	710	$0.005
Colombian Peso (COP)	3,457	($0.005)
Dominican Peso (DOP)	59.15	$0.015
Euro (EUR)	1.23	($0.005)
Mexican Peso (MXN)	20.33	$0.015

Commodity

10% increase in commodity prices is forecasted to have the following Adjusted EPS impacts:	FY 2021	
	Average Rate	Sensitivity
IPE Brent Crude Oil	$51.37/bbl	Less than $0.005
NYMEX Henry Hub Natural Gas	$2.65/mmbtu	Less than ($0.005)
Rotterdam Coal (API 2)	$68.85/ton	($0.005)
US Power – SP15	$39.41/MWh	Less than $0.005

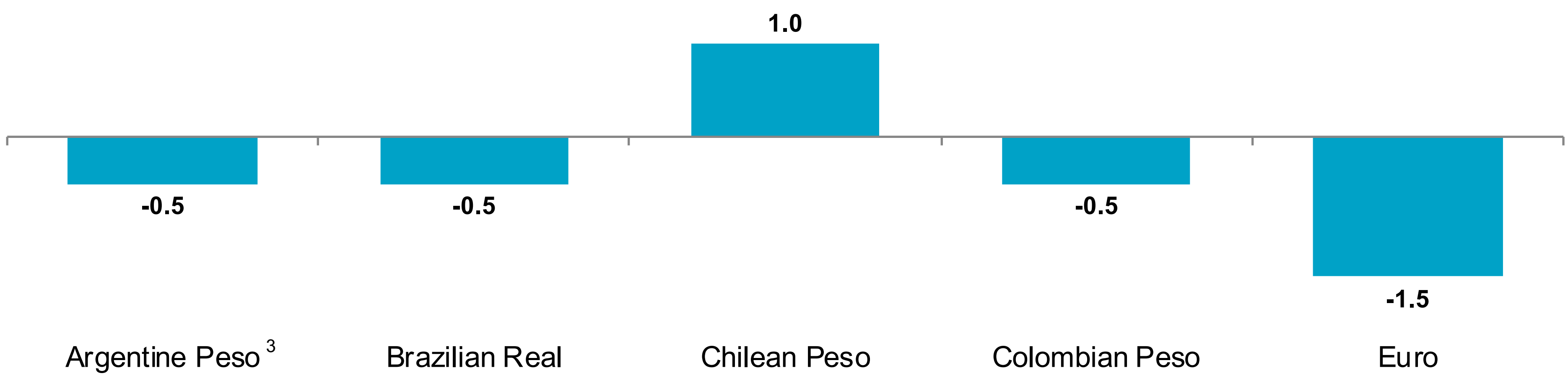
Note: Guidance provided on February 25, 2021. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing key market factors on AES' results. Estimates show the impact on full year 2021 Adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. Full year 2021 guidance is based on currency and commodity forward curves and forecasts as of December 31, 2020. There are inherent uncertainties in the forecasting process and actual results may differ from projections. The Company undertakes no obligation to update the guidance presented. Please see Item 1 of the Form 10-K for a more complete discussion of this topic. AES has exposure to multiple coal, oil, natural gas and power indices; forward curves are provided for representative liquid markets. Sensitivities are rounded to the nearest $0.005 per share.

1. The move is applied to the floating interest rate portfolio balances as of December 31, 2020.
2. Argentine Peso and Brazilian Real sensitivities are based on AES internal FX rate assessment.

Foreign Exchange (FX) Risk Before Hedges

Cents Per Share

Full Year 2023 Adjusted EPS[1] FX Sensitivity[2]



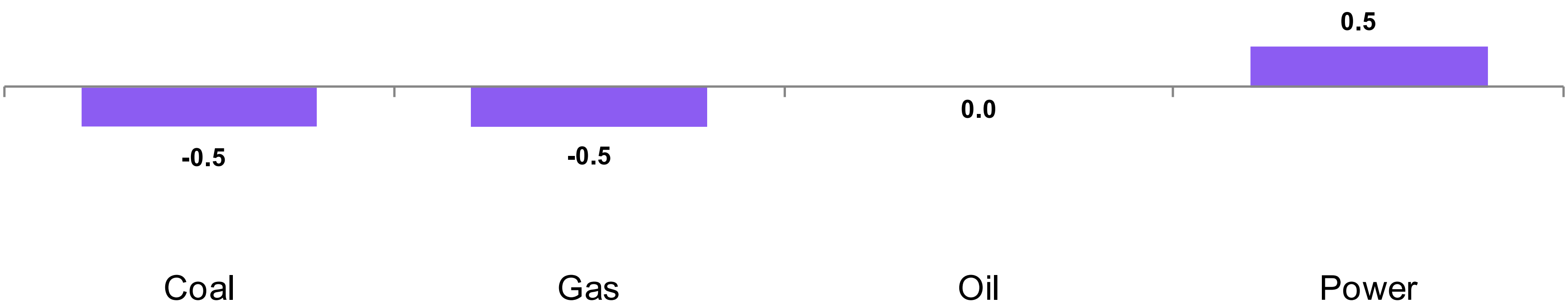
- 2023 FX risk for 10% US Dollar appreciation against foreign currency, before impact of financial hedge instruments
- Estimated realized FX moves include inflation adjustments earned through contracts in Argentina and Colombia; historic analysis indicates that such adjustments could offset FX risk by at least 60% in Argentina and 80% in Colombia over a 3-year period

1. A non-GAAP financial measure. See "definitions".
2. Sensitivity represents full year 2023 exposure as of December 31, 2020.
3. Argentine Peso 2023 sensitivity based on AES internal FX rate assessment (Average USD/ARS rate = 180) due to lack of liquidity in forward market.

Commodity Risk

Cents Per Share

Full Year 2023 Adjusted EPS[1] Commodity Sensitivity[2]



1. A non-GAAP financial measure. See “definitions”.
2. Sensitivities assumes fuel moves 10% relative to commodities as of December 31, 2020. Adjusted EPS is negatively correlated to coal and oil price movement, and positively correlated gas and power price movements.

PPAs Awarded or Signed in FY 2020

Project	Location	Technology	Gross MW	AES Equity Interest	Expected COD[1]	PPA Length (Years)
AES Gener	Chile & Colombia	Solar	780	67%	1H 2021-2H 2023	10-21
		Wind	391			
AES Clean Energy (AES Distributed Energy)	US-Various	Solar	393	100%	1H-2H 2021	20
		Energy Storage	112			
		Hydro	90			
AES Clean Energy (sPower)	US-Various	Solar	296	50%	1H 2023	20
		Energy Storage	255		2H 2021	15
AES Panama	Panama	Wind	55	49%	In Operation[2]	3
		Solar	86	49%	1H 2023	13
Suacero	Mexico	Wind	109	50%	1H 2023	20
AES Brasil	Brasil	Wind	346	44%	In Operation[3]	20
AES Dominicana	Dominican Republic	Solar	70	85%	1H 2021-1H 2022	12
AES El Salvador	El Salvador	Solar	27	100%	2H 2021	12-25
Illumina	US-PR	Solar	5	100%	1H 2022	16
		Energy Storage	2			
Total FY 2020			3,017			

1. Commercial Operations Date.
2. Acquisition closed in April 2020.
3. Acquisition of 187 MW closed in December 2020. Acquisition of 158 MW expected to close in 1H 2021.

Reconciliation of Q4 Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	Q4 2020		Q4 2019	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]
Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$318	$0.47	($78)	($0.12)
Add: Income Tax Expense from Continuing Operations Attributable to AES	$92		$35	
Pre-Tax Contribution	$410		($43)	
Adjustments				
Unrealized Derivative and Equity Securities Losses	($21)	($0.03)	$35	$0.05
Unrealized Foreign Currency Losses (Gains)	($3)	-	($13)	($0.01)
Disposition/Acquisition Losses (Gains)	($18)	($0.02)[3]	$15	$0.02[4]
Impairment Expense	$50	$0.07[5]	$282	$0.42[6]
Loss on Extinguishment of Debt	$120	$0.18[7]	$26	$0.04[8]
Net Gains from Early Contract Terminations at Angamos	($110)	($0.16)[9]	-	-
U.S. Tax Law Reform Impact	-	-	-	($0.02)
Less: Net Income Tax Benefit	-	($0.03)	-	($0.03)[10]
Adjusted PTC[1] & Adjusted EPS[1]	$428	$0.48	$302	$0.35

1. A Non-GAAP financial measure. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to gain on sale of OPGC of $23 million, or $0.03 per share.
4. Amount primarily relates to losses recognized at commencement of sales-type leases at Distributed Energy of $36 million, or $0.05 per share, partially offset by gain on disposal of Stuart and Killen at AES Ohio (DPL) of $20 million, or $0.03 per share.
5. Amount primarily relates to asset impairments at our sPower equity affiliate, impacting equity earnings by $41 million, or $0.06 per share.
6. Amount primarily relates to asset impairment at Hawaii of $60 million, or $0.09 per share; impairments at our Guacolda and sPower equity affiliates, impacting equity earnings by $105 million, or $0.16 per share, and $15 million, or $0.02 per share, respectively; and other-than-temporary impairment of OPGC of $92 million, or $0.14 per share.
7. Amount primarily relates to loss on early retirement of debt at the Parent Company of $108 million, or $0.16 per share, and Angamos of $6 million, or $0.01 per share.
8. Amount primarily relates to losses on early retirement of debt at AES Gener of $22 million, or $0.03 per share.
9. Amount primarily relates to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $110 million, or $0.16 per share, for the three months ended December 31, 2020.
10. Amount primarily relates to income tax benefits associated with the impairments at OPGC of $23 million, or $0.03 per share, Guacolda of $13 million, or $0.02 per share, and Hawaii of $13 million, or $0.02 per share; partially offset by an adjustment to income tax expense related to 2018 gains on sales of business interests, primarily Masinloc, of $25 million, or $0.04 per shar

Reconciliation of FY Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	FY 2020		FY 2019	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]
Income from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$43	$0.06	$302	$0.45
Add: Income Tax Expense from Continuing Operations Attributable to AES	$130		$250	
Pre-Tax Contribution	$173		$552	
Adjustments				
Unrealized Derivative and Equity Securities Losses	$3	$0.01	$113	$0.17[3]
Unrealized Foreign Currency Losses (Gains)	($10)	($0.01)	$36	$0.05[4]
Disposition/Acquisition Losses	$112	$0.17[5]	$12	$0.02[6]
Impairment Expense	$928	$1.39[7]	$406	$0.61[8]
Loss on Extinguishment of Debt	$223	$0.33[9]	$121	$0.18[10]
Net Gains from Early Contract Terminations at Angamos	($182)	($0.27)[11]	-	-
U.S. Tax Law Reform Impact	-	$0.02[12]	-	($0.01)
Less: Net Income Tax Benefit	-	($0.26)[13]	-	($0.11)[14]
Adjusted PTC[1] & Adjusted EPS[1]	$1,247	$1.44	$1,240	$1.36

1. A Non-GAAP financial measure. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized derivative losses in Argentina of $89 million, or $0.13 per share, mainly associated with foreign currency derivatives on government receivables.
4. Amount primarily relates to unrealized FX losses in Argentina of $25 million, or $0.04 per share, mainly associated with the devaluation of long-term receivables denominated in Argentine pesos, and unrealized FX losses at the Parent Company of $12 million, or $0.02 per share, mainly associated with intercompany receivables denominated in Euro.
5. Amount primarily relates to loss on sale of Uruguaiana of $85 million, or $0.13 per share, loss on sale of the Kazakhstan HPPs of $30 million, or $0.05 per share, as a result of the final arbitration decision, and advisor fees associated with the successful acquisition of additional ownership interest in AES Brasil of $9 million, or $0.01 per share; partially offset by gain on sale of OPGC of $23 million, or $0.03 per share.
6. Amount primarily relates to losses recognized at commencement of sales-type leases at Distributed Energy of $36 million, or $0.05 per share, and loss on sale of Kilroot and Ballylumford of $31 million, or $0.05 per share; partially offset by gain on sale of a portion of our interest in sPower's operating assets of $28 million, or $0.04 per share, gain on disposal of Stuart and Killen at AES Ohio (DPL) of $20 million, or $0.03 per share, and gain on sale of ownership interest in Simple Energy as part of the Uplight merger of $12 million, or $0.02 per share.
7. Amount primarily relates to asset impairments at Gener of $527 million, or $0.79 per share, other-than-temporary impairment of OPGC of $201 million, or $0.30 per share, impairments at our Guacolda and sPower equity affiliates, impacting equity earnings by $85 million, or $0.13 per share, and $57 million, or $0.09 per share, respectively; impairment at Hawaii of $38 million, or $0.06 per share, and impairment at Panama of $15 million, or $0.02 per share.
8. Amount primarily relates to asset impairments at Kilroot and Ballylumford of $115 million, or $0.17 per share, and Hawaii of $60 million, or $0.09 per share; impairments at our Guacolda and sPower equity affiliates, impacting equity earnings by $105 million, or $0.16 per share, and $21 million, or $0.03 per share, respectively; and other-than-temporary impairment of OPGC of $92 million, or $0.14 per share.
9. Amount primarily relates to losses on early retirement of debt at the Parent Company of $146 million, or $0.22 per share, AES Ohio (DPL) of $32 million, or $0.05 per share, Angamos of $17 million, or $0.02 per share, and Panama of $11 million, or $0.02 per share.
10. Amount primarily relates to losses on early retirement of debt at AES Ohio (DPL) of $45 million, or $0.07 per share, AES Gener of $35 million, or $0.05 per share, Mong Duong of $17 million, or $0.03 per share, and Colon of $14 million, or $0.02 per share.
11. Amounts primarily relate to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $110 million, or $0.16 per share, for the three months ended December 31, 2020, and $182 million, or $0.27 per share, for the twelve months ended December 31, 2020.
12. Amount represents adjustment to tax law reform remeasurement due to incremental deferred taxes related to AES Ohio (DPL) of $16 million, or $0.02 per share.
13. Amount primarily relates to income tax benefits associated with the impairments at Gener and Guacolda of $164 million, or $0.25 per share, and income tax benefits associated with losses on early retirement of debt at the Parent Company of $31 million, or $0.05 per share; partially offset by income tax expense related to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $49 million, or $0.07 per share.
14. Amount primarily relates to the income tax benefits associated with the impairments at OPGC of $23 million, or $0.03 per share, Guacolda of $13 million, or $0.02 per share, Hawaii of $13 million, or $0.02 per share, and Kilroot and Ballylumford of $11 million, or $0.02 per share, and income tax benefits associated with losses on early retirement of debt of $24 million, or $0.04 per share; partially offset by an adjustment to income tax expense related to 2018 gains on sales of business interests, primarily Masinloc, of $25 million, or $0.04 per share.

Reconciliation of Parent Free Cash Flow[1]

$ in Millions	2020	2019	2018
Net Cash Provided by Operating Activities at the Parent Company[2]	$434	$583	$409
Subsidiary Distributions to QHCs Excluded from Schedule 1[3]	$198	$183	$117
Subsidiary Distributions Classified in Investing Activities[4]	$238	$60	$267
Parent-Funded SBU Overhead and Other Expenses Classified in Investing Activities[5]	($85)	($97)	($84)
Other	($8)	($3)	($20)
Parent Free Cash Flow[1]	$777	$726	$689

1. Parent Free Cash Flow (a non-GAAP financial measure) should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities, which is determined in accordance with US GAAP. Parent Free Cash Flow is the primary, recurring source of cash that is available for use by the Parent Company. Parent Free Cash Flow is equal to Subsidiary Distributions less cash used for interest costs, development, general and administrative activities, and tax payments by the Parent Company. Management uses Parent Free Cash Flow to determine the cash available to pay dividends, repay recourse debt, make equity investments, fund share buybacks, pay Parent Company hedging costs and make foreign exchange settlements. We believe that Parent Free Cash Flow is useful to investors because it better reflects the Parent Company's cash available to make growth investments, pay shareholder dividends, and make principal payments on recourse debt. Factors in this determination include availability of subsidiary distributions to the Parent Company and the Company's investment plan.
2. Refer to Part IV—Item 15—Schedule I—Condensed Financial Information of Registrant of the Company's 2020 10-K filed with the SEC on February 25, 2021.
3. Subsidiary distributions received by Qualified Holding Companies ("QHCs") excluded from Schedule 1. Subsidiary Distributions should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities, which is determined in accordance with US GAAP. Subsidiary Distributions are important to the Parent Company because the Parent Company is a holding company that does not derive any significant direct revenues from its own activities but instead relies on its subsidiaries' business activities and the resultant distributions to fund the debt service, investment and other cash needs of the holding company. The reconciliation of the difference between the Subsidiary Distributions and Consolidated Net Cash Provided by Operating Activities consists of cash generated from operating activities that is retained at the subsidiaries for a variety of reasons which are both discretionary and non-discretionary in nature. These factors include, but are not limited to, retention of cash to fund capital expenditures at the subsidiary, cash retention associated with non-recourse debt covenant restrictions and related debt service requirements at the subsidiaries, retention of cash related to sufficiency of local GAAP statutory retained earnings at the subsidiaries, retention of cash for working capital needs at the subsidiaries, and other similar timing differences between when the cash is generated at the subsidiaries and when it reaches the Parent Company and related holding companies.
4. Subsidiary distributions that originated from the results of operations of an underlying investee but were classified as investing activities when received by the relevant holding company included in Schedule 1.
5. Net cash payments for parent-funded SBU overhead, business development, taxes, transaction costs, and capitalized interest that are classified as investing activities or excluded from Schedule 1.

Assumptions

Forecasted financial information is based on certain material assumptions. Such assumptions include, but are not limited to: (a) no unforeseen external events such as wars, depressions, or economic or political disruptions occur; (b) businesses continue to operate in a manner consistent with or better than prior operating performance, including achievement of planned productivity improvements including benefits of global sourcing, and in accordance with the provisions of their relevant contracts or concessions; (c) new business opportunities are available to AES in sufficient quantity to achieve its growth objectives; (d) no material disruptions or discontinuities occur in the Gross Domestic Product (GDP), foreign exchange rates, inflation or interest rates during the forecast period; and (e) material business-specific risks as described in the Company's SEC filings do not occur individually or cumulatively. In addition, benefits from global sourcing include avoided costs, reduction in capital project costs versus budgetary estimates, and projected savings based on assumed spend volume which may or may not actually be achieved. Also, improvement in certain Key Performance Indicators (KPIs) such as equivalent forced outage rate and commercial availability may not improve financial performance at all facilities based on commercial terms and conditions. These benefits will not be fully reflected in the Company's consolidated financial results.

The cash held at qualified holding companies ("QHCs") represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries have no contractual restrictions on their ability to send cash to AES, the Parent Company; however, cash held at qualified holding companies does not reflect the impact of any tax liabilities that may result from any such cash being repatriated to the Parent Company in the U.S. Cash at those subsidiaries was used for investment and related activities outside of the U.S. These investments included equity investments and loans to other foreign subsidiaries as well as development and general costs and expenses incurred outside the U.S. Since the cash held by these QHCs is available to the Parent, AES uses the combined measure of subsidiary distributions to Parent and QHCs as a useful measure of cash available to the Parent to meet its international liquidity needs. AES believes that unconsolidated parent company liquidity is important to the liquidity position of AES as a parent company because of the non-recourse nature of most of AES' indebtedness.

Definitions

Adjusted Earnings Per Share, a non-GAAP financial measure, is defined as diluted earnings per share from continuing operations excluding gains or losses of both consolidated entities and entities accounted for under the equity method due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures, and the tax impact from the repatriation of sales proceeds, and gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; (f) costs directly associated with a major restructuring program, including, but not limited to, workforce reduction efforts, relocations and office consolidation; (g) net gains at Angamos, one of our businesses in the South America SBU, associated with the early contract terminations with Minera Escondida and Minera Spence; and (h) tax benefit or expense related to the enactment effects of 2017 U.S. tax law reform and related regulations and any subsequent period adjustments related to enactment effects.

Adjusted Pre-Tax Contribution, a non-GAAP financial measure, is defined as pre-tax income from continuing operations attributable to The AES Corporation excluding gains or losses of the consolidated entity due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures, and gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; (f) costs directly associated with a major restructuring program, including, but not limited to, workforce reduction efforts, relocations and office consolidation; and (g) net gains at Angamos, one of our businesses in the South America SBU, associated with the early contract terminations with Minera Escondida and Minera Spence.

NCI is defined as noncontrolling interests.

Parent Company Liquidity (a non-GAAP financial measure) is defined as as cash available to the Parent Company, including cash at qualified holding companies (“QHCs”), plus available borrowings under our existing credit facility. The cash held at qualified holding companies represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries have no contractual restrictions on their ability to send cash to the Parent Company.

Parent Free Cash Flow (a non-GAAP financial measure) should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities, which is determined in accordance with US GAAP. Parent Free Cash Flow is the primary, recurring source of cash that is available for use by the Parent Company. Parent Free Cash Flow is equal to Subsidiary Distributions less cash used for interest costs, development, general and administrative activities, and tax payments by the Parent Company. Management uses Parent Free Cash Flow to determine the cash available to pay dividends, repay recourse debt, make equity investments, fund share buybacks, pay Parent Company hedging costs and make foreign exchange settlements. We believe that Parent Free Cash Flow is useful to investors because it better reflects the Parent Company’s cash available to make growth investments, pay shareholder dividends, and make principal payments on recourse debt. Factors in this determination include availability of subsidiary distributions to the Parent Company and the Company’s investment plan.

Subsidiary Liquidity (a non-GAAP financial measure) is defined as cash and cash equivalents and bank lines of credit at various subsidiaries.

Subsidiary Distributions should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities which is determined in accordance with GAAP. Subsidiary Distributions are important to the Parent Company because the Parent Company is a holding company that does not derive any significant direct revenues from its own activities but instead relies on its subsidiaries’ business activities and the resultant distributions to fund the debt service, investment and other cash needs of the holding company. The reconciliation of the difference between the Subsidiary Distributions and Consolidated Net Cash Provided by Operating Activities consists of cash generated from operating activities that is retained at the subsidiaries for a variety of reasons which are both discretionary and non-discretionary in nature. These factors include, but are not limited to, retention of cash to fund capital expenditures at the subsidiary, cash retention associated with non-recourse debt covenant restrictions and related debt service requirements at the subsidiaries, retention of cash related to sufficiency of local GAAP statutory retained earnings at the subsidiaries, retention of cash for working capital needs at the subsidiaries, and other similar timing differences between when the cash is generated at the subsidiaries and when it reaches the Parent Company and related holding companies.